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February 5, 2009


Andrew J. Kraus III, Director, Office of Program Review & Audits
California Department of Justice
Office of Program Review & Audits
PO Box 944255
Sacramento, CA 94244-2550

File # C-17-9056

Dear Mr. Kraus,

The Department of Motor Vehicles' (DMV) Audits Office presents its final audit report of California Department of Justice (DOJ) Government Requester Accounts. Please note that the attached report includes excerpts of DOJ's response to our findings, as well as our response evaluation. We have included DOJ's response in its entirety as Exhibit 1 at the end of the report.

We thank DOJ and its staff contacted during this review for their cooperation and courtesy extended to our auditors. If you have any questions regarding the audit or this report, please contact me at (916) 657-5828.


GRACE M. RULE-ALI, Manager
Information Systems-Requester Audit Section
Audits Office

Attachment

cc: Sue Johnsrud, Director, Division of Administrative Services, DOJ
Carla Rose, Associate Administrative Analyst, DOJ
George Valverde, Director, DMV
Ken Miyao, Chief Deputy Director, DMV
Jerry McClain, Chief, Audits Office, DMV
Paulette Johnson, Chief, Information Security and Privacy Officer, DMV
Stacy Cockrum, Chief, Information Services Branch, DMV

FINAL AUDIT REPORT
OFFICE OF THE ATTORNEY GENERAL
CALIFORNIA DEPARTMENT OF JUSTICE

TABLE OF CONTENTS

COVER MEMO	i
EXECUTIVE SUMMARY.....	1
BACKGROUND	2
OBJECTIVES, SCOPE AND METHODOLOGY	2-3
FINDINGS AND RECOMMENDATIONS.....	3-5
FINDING 1: INFORMATION SECURITY STATEMENT NOT MAINTAINED	3-4
FINDING 2: INADEQUATE/LACK OF DOCUMENTATION	4-5
CONCLUSION.....	5
EXHIBIT 1: DOJ RESPONSE	6

EXECUTIVE SUMMARY

The California Department of Motor Vehicles (DMV) Information Services Branch (ISB) operates an information requester program that allows external entities to access DMV records pursuant to applicable statutes of the California Vehicle Code (CVC) and California Code of Regulations (CCR) Title 13, Article 5 except as prohibited by CVC Section 1808.21. As an authorized DMV approved Government Requester Account holder, the California Department of Justice (DOJ), has access to basic record and address information on California Driver License, Vehicle Registration, Occupational License, and Financial Responsibility. In accordance with its DMV Government Requester Memorandum of Understanding (MOU), DOJ is allowed to obtain California DMV information for its business needs.

CVC mandates that DMV protect the privacy rights of the public by releasing only certain information authorized by statutes. Statutes and regulations allow for businesses and individuals to access DMV records containing both confidential and non-confidential information, contingent upon approval of an application and compliance with the program requirements. DMV is dedicated in its mission of securing personal information for consumer protection. To meet our obligation of protecting the public and DMV information, we reviewed DOJ's compliance with the MOU, and applicable California laws and regulations.

Our evaluation found that DOJ is approved for ■ requester codes, one on-line and ■ manual codes. Our audit involves four of the ■ requester codes; ■ on-line code use by the Accounting Office. The other ■ manual codes use by the Stolen Vehicle Unit, Department of Law Enforcement/Bureau of Narcotic Enforcement, and Division of Law Enforcement. The manual codes obtain DMV requests via telephone.

The current security controls in effect at DOJ as of October 24, 2008, are sufficient to meet the security objectives of this audit, except as noted in the *Findings and Recommendations* section of this report. The findings are summarized as follows:

- Information Security Statement Not Maintained
- Inadequate/Lack of Documentation

However, because of inherent limitations in control systems, error or irregularities may occur and not be detected. Therefore, projection of any evaluation of systems to future periods is subject to risk because procedures may become inadequate due to changes in conditions, or degree of compliance with the procedures may deteriorate.

BACKGROUND

DOJ has been an authorized Government Requester Account Holder since 1994. DOJ was assigned ■ requester codes; ■ on-line code and ■ manual codes with the following access to DMV information:

- Driver License – to verify employees' driver license status for travel payments; verify identification, address and age for law enforcement purposes, and to identify criminal suspects.
- Vehicle Registration – to notify registered and legal owners, the location of vehicles that have been stored for 30 days in a garage or repair shop, or towed vehicles; to verify ownership address and property transfer for law enforcement purposes, and to identify suspects vehicles
- Financial Responsibility – to track proceeds of crime, establish property ownership, and to provide additional suspect information.
- Occupational License – to verify employment, addresses and associates, and to provide additional suspect information.

In 2008, DMV initiated an audit of DOJ concerning the potential misuse of a requester code. On June 26, 2008, DMV, ISB found out that a former employee of California Department of Corrections and Rehabilitations (CDCR), who is currently employed by DOJ, was using CDCR requester code to make DMV inquiries.

On July 1, 2008 DOJ confirmed that a requester code that belongs to CDCR was used by a former employee of CDCR now employed by DOJ. DMV closed the compromised requester code for CDCR and issued a new requester code to CDCR.

On August 7, 2008, DMV's Information Privacy and Security Office (IPSO) recommended an audit be conducted on DOJ. The audit of DOJ commenced on October 21, 2008.

OBJECTIVES, SCOPE AND METHODOLOGY

The audit objectives were to verify compliance with the requirements of the MOU, as well as applicable statutes and regulations stated in the CVC and the CCR; and review the security procedures that the DOJ has in place to ensure the protection of DMV information. We conducted this audit in accordance with *Government Auditing Standards* promulgated by the United States General Accountability Office.

The audit was conducted to determine whether DOJ was in compliance with the applicable laws and regulations for the audit period, July 1, 2007 through June 30, 2008. The fieldwork was conducted at DOJ Central Office in Sacramento County, California from October 21, 2008 through October 24, 2008.

Our methodology included interviews with DOJ management and staff, physical observation of the DOJ facility and operations, review and verification of documentation, and testing to determine the levels of security and confidentiality over DMV information.

FINDINGS AND RECOMMENDATIONS

FINDING 1: Information Security Statement Not Maintained By DOJ Employees

Condition: During the audit period July 1, 2007 through June 30, 2008, DOJ did not maintain Information Security Statement, form (INF 1128) for employees with both direct and incidental access to DMV records. Four requester codes selected for testing were used by three DOJ offices.

The results of the DOJ offices were as follows:

- The Accounting Office (AO) did not provide INF 1128 for three employees' with incidental access to DMV record information.
- The Bureau of Investigation (BOI) did not provide INF 1128 for 38 employees' with direct access to DMV information.
- The Department of Law Enforcement (DLE) did not provide INF 1128 for three employees' with direct access to DMV information.

Criteria: The MOU #9 states:

"Requester agrees to establish security procedures to protect the confidentiality of DMV records and access information, as required by California Vehicle Code Section 1808.47. Requester shall ensure that each Requester's employee or each person working on behalf of Requester having direct or incidental access to DMV records has signed an individual security statement. That statement shall contain, at a minimum, the same provisions contained within the DMV's Information Security Statement, form INF 1128. The form shall be maintained on file, and made available to DMV upon request."

The Government Requester Account Application, Part 11 General Security Requirements (C), #3, items (a) and (b) states:

- a. *"Requester shall require every employee and the system administrator having direct or incidental access to Department records to sign a copy of the Information Security Statement (INF 1128). The INF 1128 is required upon initial authorization for access to Department records and annually thereafter. The requester's signed statement (s) shall be maintained on file at Requester's worksite for at least two years following the deactivation or termination of the authorization and shall be available to Department upon demand.*

- b. *Requester shall restrict the use and knowledge of requester codes and operational manuals to employees who have signed an Information Security Statement (INF 1128). "*

Recommendation: DOJ should develop policies and procedures to ensure that all employees with direct and incidental access to DMV records information sign and maintain at worksite, INF 1128, and recertify annually as required by MOU and Government Requester Account Application Agreement. **The AO has already complied with this recommendation. Therefore, no response is required. However, BOI and DLE have not complied and are required to respond to the recommendation.**

DOJ Response: "The finding related torequester code has been complied with by DOJ.... For requester codesand, which are used by bureaus within the Division of Law Enforcement (DLE), attached please find the INF 1128 forms for DLE employees with either direct or incidental access to DMV information...DLE has informed its managers in writing that every employee with either direct or indirect access to DMV records must sign an INF 1128 form upon initial access, and must re-certify annually thereafter."

DMV Evaluation: DOJ sent copies of INF 1128 for employees in the AO, BOI, and DLE. We concur with DOJ's corrective action plan. The procedure is in compliance with the MOU and Government Requester Account Application requirement.

FINDING 2: Inadequate/Lack of Documentation

Condition: During the audit period July 1, 2007 through June 30, 2008, DOJ did not maintain adequate support documentation to show evidence of proper use of DMV information for five of 24 inquiries selected for testing.

The requester codes are:

- The AO - Did not provide supporting document for one of nine inquiries selected for testing
- The Stolen Vehicles Unit - Failed to provide supporting document for one of ten inquiries selected for testing.
- DLE - Failed to provide supporting documents for three of three inquiries selected for testing.

Criteria: The Government Agency Requester Account Application and Agreement Part 11 Audit, (E) #1 states:

"Requester's documentation supporting the reason for inquiry, including but not limited to, transaction details, and computer software/programs maintained for the purposes defined in the agreement, shall be subject to inspection, review, or audit by Department or its designee for a period of two years from the date of the request."

The MOU #23 states in part:

"Record access information shall be logged and stored for a period of two (2) years from the date of the transaction. The information shall be effectively preserved for audit purposes for a period of two (2) years..."

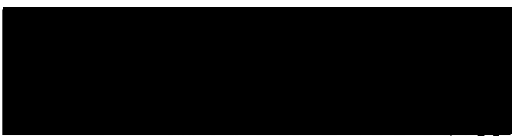
Recommendation: DOJ should develop policies and procedures to ensure support documentation is maintained to justify proper use of DMV information as required by the agreement between DMV and DOJ.

DOJ Response: "We have confirmed that the supporting documentation for the five inquiries discussed in the findings is not available....we are now maintaining logs to track all DMV inquiries, and staff has been instructed to maintain supporting documentation for all DMV inquiries (i.e. case notes, references in investigative reports, etc.)."

DMV Evaluation: We concur with DOJ's corrective action plan. The procedure is in compliance with the MOU and Government Requester Account Application requirement.

CONCLUSION

DOJ operates a system and program that permit its authorized end users access to DMV information, and provides assurance that access to the information is appropriately controlled and monitored in accordance with the requirements of its Memorandum of Understanding. Accordingly, the mechanisms and controls in place to protect information received from DMV taken as a whole are sufficient and functioning properly to fulfill the program objectives.



GRACE M. RULE-ALI, MANAGER
Information Systems-Requester Audit Section
Audits Office
(916) 657-5828

January 29, 2009

Review Team:
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EXHIBIT 1

DOJ RESPONSE



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January 16, 2009

Ms. Grace M. Rule-Ali, Manager
California Department of Motor Vehicles
Audits Office
Commercial/Government Requester Audit Unit
2570 24th Street, MS H-230
Sacramento, CA 95818

RE: California Department of Motor Vehicles Draft Audit Report

Dear Ms. Rule-Ali:

This letter is in response to the California Department of Motor Vehicles' (DMV) audit findings of the Department of Justice's (DOJ) Government Requester Accounts. Thank you for the opportunity to include these responses in the final report. In response to the findings and recommendations, I submit the following:

DMV Finding 1: Information Security Statement Not Maintained by DOJ Employees

"During the audit period July 1, 2007 through June 30, 2008, DOJ did not maintain Information Security Statement, (form INF 1128) for employees with both direct and incidental access to DMV records.

Of the four requester codes selected for testing:

- Requester code [REDACTED] used by DOJ Accounting Office (AO) did not provide INF 1128 for three employees with incidental access to DMV record information.
- Requester code [REDACTED] used by DOJ Bureau of Investigation (BOI) did not provide INF 1128 for 38 employees with direct access to DMV information.
- Requester code [REDACTED] used by DOJ Department of Law Enforcement (DLE) did not provide INF 1128 for three employees with direct access to DMV information."

DOJ Response: As stated in your draft audit report, the finding related to [REDACTED] requester code has been complied with by the DOJ by providing the three INF 1128 forms for employees with incidental access. For requester codes [REDACTED] and [REDACTED], which are used by bureaus within the Division of Law Enforcement (DLE), attached please find the INF 1128 forms for DLE employees with either direct or incidental access to DMV information. It should be noted that your draft report states there are 38 employees with [REDACTED] requester code access and three employees with [REDACTED] requester code

access for a total of 41 employees. It appears there was a miscommunication between the DMV and the DOJ related to the number of employees with access to each of these codes. There are actually a total of 42 DLE employees with requester code access: 26 employees with [REDACTED] code access; and 16 employees with [REDACTED] code access. Copies of their completed and signed INF 1128 forms are enclosed for your records.

In addition, the DLE has informed its managers in writing that every employee with either direct or indirect access to DMV records must sign an INF 1128 form upon initial access, and must re-certify annually thereafter. These forms will be maintained in a central location within each DLE bureau to ensure they are available for inspection upon request. The DLE will send out annual reminders to all bureaus to ensure annual recertification of the INF 1128.

DMV Finding 2: Inadequate/Lack of Documentation

"During the audit period July 1, 2007 through June 30, 2008, DOJ did not maintain adequate support documentation to show evidence of proper use of DMV information for 5 of 24 inquiries selected for testing.

The requester codes are:

[REDACTED] (AO) – Did not provide supporting document for one of nine inquiries selected for testing.

[REDACTED] (Stolen Vehicles Unit) – Failed to provide supporting document for one of ten inquiries selected for testing.

[REDACTED] (DLE) – Failed to provide supporting documents for three of three inquiries selected for testing."

DOJ Response: The DOJ is now maintaining logs (see attached sample) to track all DMV inquiries. The logs include the following information for each inquiry: 1) date; 2) time; 3) case number; 4) name of requester; 5) purpose of inquiry; and 6) type of record being inquired.

If you have any follow up questions regarding this letter, please feel free to contact me at (916) 322-9036.

Sincerely,

[REDACTED]

ANDREW J. KRAUS III, Director
Office of Program Review & Audits

For EDMUND G. BROWN JR.
Attorney General

cc: Sue Johnsrud, Director, DAS, DOJ
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January 27, 2009

Ms. Grace M. Rule-Ali, Manager
California Department of Motor Vehicles
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Commercial/Government Requester Audit Unit
2570 24th Street, MS H-230
Sacramento, CA 95818

RE: California Department of Motor Vehicles Draft Audit Report – DMV Finding 2

Dear Ms. Rule-Ali:

On January 16, 2009, the Department of Justice (DOJ) submitted our response to the California Department of Motor Vehicles' (DMV) draft audit findings of the Government Requester Accounts audit. Charlotte Chigbu of your staff contacted my office on January 22, 2009, regarding DOJ's response to DMV Finding 2. She stated that while our response addressed the corrective actions taken by DOJ, we had not provided supporting documentation for the five inquiries discussed in the finding.

We have confirmed that the supporting documentation for the five inquiries discussed in the finding is not available. However, as stated in our response, we are now maintaining logs to track all DMV inquiries, and staff has been instructed to maintain supporting documentation for all DMV inquiries (i.e. case notes, references in investigative reports, etc.).

If you have any follow up questions regarding this letter, please feel free to contact me at the number listed above.

Sincerely,

A black rectangular redaction box covering the signature of Andrew J. Kraus III.

ANDREW J. KRAUS III, Director
Office of Program Review & Audits

For EDMUND G. BROWN JR.
Attorney General

Grace M. Rule-Ali

January 27, 2009

Page 2

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